

CORPORATE

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SALES

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May 2, 2006

Don Ballard
P.O. Box 1330
Houston, Texas 77251-13306

Re: Mining Lease Sec. 23, T.3 N., R. 5 E., SLBM

Don

I would like to establish a small mine in Sec. 23, T.3 N., R. 5 E., SLBM, which is in Grass Creek, Summit County, Utah, just north of Coalville. We would like to mine shale, similar to the material we are currently mining at our Utelite Corp Mine at 3 Mile Canyon, Sections 5 and 9, T. 1 S., R. 5 E., SLBM.. We would like to start with 5 acres in the SE 1/4, SW 1/4, Sec. 23, T.3 N., R. 5 E., SLBM.

I am submitting an application to the Division of Oil, Gas, and Mining in Salt Lake for a small mine permit and will include a copy of this letter with it. Please get back to me as soon as possible and if you have questions, please call at (801) 467-2800 or email at Carsten@allwest.net

Thank You,

Carsten N. Mortensen
President
Utelite Corp.